

# Case study



## Redundancy training

Acas trains a global chemicals manufacturer to aid effective consultation over redundancies in the UK<sup>1</sup>

*This case study demonstrates how Acas training helped a major chemicals manufacturer to undertake effective employee consultation during a programme of redundancy. This was uncharted territory for non-union representatives at the workplace – but Acas training equipped them with the skills and confidence to meaningfully input into the consultation process.*



## Background

The organisation under discussion is a global manufacturer of industrial maintenance, repair and supply products, with a focus on speciality chemical production. The company employ more than 8,500 staff in over 50 countries, with c.200 employees working across its UK sites. These include one primary manufacturing plant, based in the East Midlands and staffed with operatives, warehouse personnel, engineers, electricians, and office workers.

## The challenge

In October 2007, following an efficiency review of its production, the company announced its proposal to restructure the manufacturing element of the business – with plans to downsize UK production by 80 per cent and transfer the residual output to a newly-built manufacturing plant in the Czech Republic. The business case put to the workforce centred on the requirement for more efficient transportation and distribution to the company's primary customer base in the Eastern Bloc. On that basis the company was seeking – speculatively – to halve the number of UK manufacturing staff in its East Midlands plant, down from 40 to an estimated 21-22. Never before had the organisation made *collective* redundancies, the numbers involved on this occasion triggering a statutory duty to consult with its employees on the redundancy process.

## Making the announcement

The company's Operations Vice President and HR Manager (now Director) delivered the initial announcement to the East Midlands workforce first hand, explaining the process, fielding questions and distributing written materials. An Outplacement Consultant was also brought in as part of this initial meeting; something which the HR Director subsequently reflected on as having worked well:

*If there's a good thing, [it] is that, because I had the Outplacement Consultants there, in a way they picked up and said, 'No, this isn't nice, is it? This isn't*

inform

advise

train

work  
with you

*nice, but if it does happen we've got to be ready for it'... and they picked up the momentum so that we were able to start preparing people for whatever happened.*

HR Director

Although the announcement had not been preceded by any formal warning, the workforce was not taken entirely by surprise since rumours had already circulated among staff about the organisation's new Czech operation and the perceived threat of off-shoring. Nevertheless, employees were shocked; one rep. describing the announcement as a "bombshell" that had been dropped "out of the blue". As his manager explained:

*It's easy to talk about it but when someone actually stands in front of you as a group and says 'I'm sorry guys but ...' – then... reality strikes. And I think it was that reality that was the shock, rather than the actual announcement.*

Manufacturing manager

Interestingly, even at this early stage, there was an assumption among staff that the selection of individuals for redundancy would somehow be a *fait accompli*, despite assurances from management that the process was only at proposal stage and that specific decisions would be made only after proper consultation:

*Everyone says 'but you know who's going to go: just tell us', and it doesn't matter how many times you say 'no, that is not what this process is about: we need to work with you', there is always an element of people being cynical with it unfortunately, and I had to overcome that.*

HR Director

## *Setting up employee consultation arrangements*

One of the first steps in overcoming this cynicism was to set up employee consultation arrangements; a requirement under UK law, which requires employers proposing to dismiss 20 or more employees over a period of 90 days or less to consult representatives before notices are issued. Because the company does not recognise a trade union, representatives had first to be elected from among the workforce for this express purpose.

Staff were invited by management to volunteer to become employee representatives, with a subsequent election via secret ballot from among the nominees. In the event, four employee representatives were selected; each based in a different division that was earmarked for downsizing. One of the newly-elected representatives had significant previous experience of redundancy consultation arrangements from his time as a works convenor with a previous employer. He recalled volunteering in the



hope that “if you’re involved at least you know what ... it’s trying to do is fair”. His fellow reps. were comparably inexperienced and were motivated more by a sense of what might be described as ‘blind duty’ to represent their less vociferous colleagues. One such rep. described his readiness to “stand-up for the people on the shop-floor” but conceded that, upon being elected, his position was one of: “Well, what do we do now?” However, neither representative judged the offer of training as having been a decisive factor in encouraging volunteers to become reps.

## *The case for training the representatives*

The decision to train the plant’s newly-elected reps was integral to the consultation arrangements, resulting largely from the HR Director’s own commitment – forged through personal experience – to the consultation process, a course of action she defined as:

*Speaking to people, saying it’s unfortunate, the company has made an announcement: we now need to work with you, let’s get together, work it through, let’s go through the process, see if we can reduce the number, if at all, of positions that have to go but let’s start having a conversation about things and let’s air the comments.*

HR Director

Management recognised that its shop-floor workers had minimal individual or collective experience of the redundancy consultation process and, as the plant manager put it, “we wanted them to feel as comfortable as you can in a situation like that”. Accordingly, as the HR Director explained, a successful case was made for commissioning training in order “to give the employees as much of an understanding as to what we were about to go through so that we could all get the best out of the situation”.

Another important benefit was in the symbolic value of the training – the offer of training was greeted broadly positively by staff, who took it as proof that the consultation process would be substantive, rather than merely cosmetic. As one representative recalled:

*They seemed to be doing everything fair, you know with the training and everything ... I’d never had that before, I’d never seen it done before at a company. I thought ‘Oh, they’re really genuine’*

Employee representative

Similarly, another related benefit of the training was that it allayed staff cynicism and distrust regarding the procedures that the organisation was (rightly) following:

*[The staff] didn’t fully understand the why... we were having to go through a process... almost like job evaluation... And for someone external totally*



*independent to come and say 'Now the reason that [the company] is doing it this way is because 1) you have to do this, or we recommend you do this, because of this part of legislation' etc etc. ...and I think certainly after the training ... and perhaps before then getting through to people 'Oh, no, they actually do mean that'*

Manufacturing manager

### *Bringing in Acas: The need for 'perceived impartiality'*

Despite the HR Director's own procedural wherewithal, she was committed to commissioning an outside agency to deliver the consultation training. The decision to specifically use Acas stemmed in part from her own past experience of having used its services – tracing back originally to advice she had been given on a downsizing exercise at a previous company that had proved useful. Similarly, on this occasion, she had initially called the Acas Helpline to use it "as a sounding board" for her thoughts regarding the upcoming redundancy situation. This, in turn, had resulted in a free advisory visit from an Acas advisor and, ultimately, the offer of tailored redundancy consultation training. Crucially, in addition to positive personal experience of its services, the fundamental appeal of Acas had also to do with the need for what the HR Director referred to as 'perceived impartiality':

*To bring Acas in gave comfort to both the employees and ultimately the representatives that were actually sitting in there, but also to the managers that we were committed to making sure that we actually followed the process... I think most people in the UK, if they don't know of the support, they've at least heard the name. It's a government body...*

*... I don't think I could have done it with the same impartiality, or perceived impartiality as Acas... Acas don't get emotionally involved... there is a tendency for employees to feel that HR are still 'company'... so there isn't such objectivity.*

HR Director

This view was substantiated by the manufacturing manager, who also pointed out the significance of employee perception:

*If it had been some other consultant that the company had brought in, it could have been perceived as [being] more on the side of the management. And I guess... if we had been unionised, it'd be [perceived as] a union thing.*  
–Manufacturing manager

This point was most clearly substantiated by one of the reps interviewed, who recalled having interpreted the use of Acas as signalling that the consultation process "might be done in a fairer way".



## Achieving common understanding

Because they also had no previous experience of a redundancy consultation process, the decision was taken by HR to extend the offer of training to take in managers, as well as employee reps. The HR Director explained her rationale:

*I knew that the managers had not done a redundancy process for a number of years, that the Representatives would also need to be trained and guided and that as part of that, that would give them a feeling of ownership in the decision making process. I wanted to take [training] up this time because of the people involved... [they] hadn't done a redundancy situation before or hadn't been involved in a redundancy process before.*

HR Director

Furthermore, it was decided by HR that managers and reps. would receive the training *together*. This approach was potentially contentious given that it might have been perceived as denying employee reps. the opportunity to speak candidly with the Acas trainer. However neither rep. interviewed held this view, and the HR Director judged it to be beneficial for the reps to personally witness that “managers were in the same boat or a similar boat to them, and that they were not being given any other information”. More fundamentally, it was hoped that joint training would forge a sense of unity and of common interests and responsibilities among managers and employee representatives. Certainly, the plant’s manufacturing manager reflected on his sense of “everyone [being] in the same position” which he felt had characterised the training. The joint approach had, he thought, helped to create an air of openness, honesty and, as a result, credibility.

## Perceptions and outcomes of the training

All those interviewed – HR Director, manufacturing manager and reps – were united in their praise for the half day’s training they received as well as the Acas trainer, who was described by the HR Director as:

*Very good, very informative, gave the right amount of information with the time allowed or the time available and was able to convey the information that was required.*

HR Director

Following a diagnostic meeting with HR, standard Acas training content had been tailored by the trainer to fit the situation at issue. Accordingly, coverage was said to have centred on the legal framework, taking in a detailed overview of the consultation process and, above all, a detailed rundown of the roles and responsibilities of managers and reps as part of that process.

For the Head of HR, this last aspect was the central point of the training – specifically in its treatment of the role of employee rep. Representatives were described as



having entered into the training under the misimpression that their role would simply be to act as the “mouthpiece of management”, rather than to substantively input into decision-making process. In view of that, the training was credited with having clarified the actual role of an employee representative and the proper meaning of *consultation* (contrary to, say, *negotiation*). Moreover, the HR Director asserted that the training had made the employee reps more solutions-focused going into the following consultation exercise:

*It took them out of being the people coming to the table with 'I have a problem, now you give me the solution' to a 'there is a problem and these are the possible solutions'*

HR Director

Though he stopped short of saying the same, one of the reps. we interviewed did concede that training had informed the representatives' approach to the consultation process:

*If you were going to that situation and you know nothing whatsoever, you're just starting with a blank canvas aren't you? [Whereas] if you're trained in what to say and how to say it and how to put the points across and what points to bring up ... [that] gives you ideas and ... any idea has got to be good*

Employee rep

Training had, this rep. went on, “helped us to put things across in a certain way, and what sort of questions to ask, what sort of things to include in the criteria and what sort of approaches to take”. It was here that Acas' impartiality – which was the main reason given for appointing the organisation to do this work – was felt to have particular benefit. There was a sense that had broadly equivalent training been delivered by HR, rather than Acas, then reps. might not have been as receptive to its messages. Here, according to the HR Director, the Acas trainer “was able to answer questions that if I'd have said it, it would have still been seen as coming from a company, from the company perspective”. Similarly, the fact that Acas continued to be available by means of its Helpline after the training had finished was also pointed to as a valuable adjunct to the training – “even more-so than the initial training” according to the plant manager. Moreover, the Acas Helpline number was openly displayed and all staff were encouraged to call to verify the legitimacy of any decisions they were uncertain about.

Importantly, the training was equally well-received by managers. As the plant manager – himself a trainee – noted:

*It gave me the basic knowledge-base to know that what I was doing was right. There was a comfort factor of 'Well, we've got somebody to call if I didn't know'. They were the two main things... You came out feeling 'Yeah I know more now, and I feel comfortable with why we're doing it this way and what we have to do.'*

Manufacturing manager



## Outcomes of the consultation

The employee representatives' contribution to the ensuing consultation process was clearly centred on the development of a scoring mechanism used by the company for selecting individuals for redundancy. Although developed by management in the first instance, this scoring instrument was to be refined *consultatively*, together with the employee representatives. This process of consultation, during which the scoring mechanism was finalised, took place over the course of a series of what the HR Director described as "lengthy discussions on what should actually be in the selection criteria for each job." In addition to these discussions, reps. were tasked with feeding back to and conferring with the wider workforce; a process that was judged to have followed the training plan provided by Acas:

*They [Acas] said a good idea would be to have regular feedback ... which we did. When we'd had our consultation meetings with the management, we asked if we could have a meeting with the workforce in the canteen directly after the meeting so that it were fresh in your mind and we could actually tell them what had been discussed. Then they could give us some ideas to chuck in the next time... any suggestions or anything you want us to bring up we took them back for the next meeting.*

Employee rep

According to this particular representative, one positive upshot of these sessions with the wider workforce was that employees "felt as though they were ... they were having some input into it as well". Certainly this role – of gathering information and passing it back into the process – had been a focal point of the training. Nevertheless, staff cynicism was said to have developed as the selection criteria took shape and this, in turn, became stressful for the reps, who lacked experience of coordinating questions and did not wish to be perceived as apologists for management. This was perhaps inevitable – as the HR Director explained of one rep in particular: "he felt the pressure because the employees that he was representing didn't always like the answer that they were given".

The degree to which consultation influenced final decisions on the redundancies in the company is a moot point. Both reps. interviewed were frustrated that more of their suggestions had not been adopted by management. In fact, some concessions were made: at least two positions earmarked for redundancy were kept on following input from reps on work volumes. More fundamentally, the reps' input was described by the HR Director as having been beneficial – both to the company and to the redundancy exercise – in terms of its transparency:

*From an HR point of view it's ultimately the ideal scenario. So that people feel that, the process is transparent, we all know the issues and... having got to make a decision we do it in a way that is less disruptive to other employees.*

HR Director



The manufacturing manager, similarly, reasoned that the main advantage of consultation had been the perception of fairness that had arisen out of it:

*It gave me the knowledge that the people that were selected for redundancy were done in a totally logical way and everything was there, done the right way...*

*... We went through the process and it was, as far as these things can be, pretty painless ... and I think that was down to the homework, the background work, a big part of which was the Acas side*

Plant manager

According to the manufacturing manager, the credibility that training had given the redundancy exercise also had longer-term benefits that extended beyond the exercise itself. The organisation's provision of training and, later, outplacement consultation had given rise to a feeling among the present staff that the best had been made of a bad job. As a result, he said, surviving staff had, if anything, been brought closer together and in this sense, the plant's future interests had been protected. The training, too, went on to have some future application when the company undertook a downsizing exercise at another European site. Here the original Acas presentation was repeated in order to emphasise the key principles of consultation – that is to say the need for open dialogue above all.

## Endnotes

<sup>1</sup> This case study is based on interviews with the company's HR Director for Europe and its European Manufacturing Manager; plus interviews with two floor staff at the East Midlands manufacturing plant who had been employee representatives; one of whom also undertook the Acas training. All interviews were conducted in 2009 by Andrew Sutherland (Acas Research and Evaluation Section) as part of Acas' evaluation programme. We are grateful for the assistance of all interviewees.

